

VINCE GRIFFIN

VICE PRESIDENT

**ENVIRONMENTAL & ENERGY
POLICY**

INDIANA CHAMBER OF COMMERCE

The Legislative Issues



Election 2012

- 25 freshmen legislators elected to the Indiana House and 4 to the Senate
- Senate: Republicans maintain “Super Majority”
- House: Republicans secure “Super Majority”
- Mike Pence elected Governor

Election 2012

- Dr. Tony Bennett, Superintendent of Public Instruction, defeated – but education reform legislators re-elected
- Democrat Joe Donnelly wins Lugar's U.S. Senate seat
- President Obama re-elected

2013 General Assembly

- Start – First week of January 2013
- Ended – Saturday, April 26th 1:30AM
- 50 Senators – Republican “Super” Majority
- 100 Representatives – 44 with two years or less!

Da Facts

- **Introduced Bills: 1234 Bills**
 - **House 615**
 - **Senate 619**
- **2nd Chamber: 388 Bills (31%)**
 - **House 175 (28%)**
 - **Senate 213 (34%)**
- **Bills Passed: 295 Bills (24%)**
 - **House: 147 (24%)**
 - **Senate: 148 (24%)**

2013 Legislative Issues

- **Two year (\$30 billion) budget**
- **Governor's 10% Income Tax**
- **Inheritance Tax Repeal**
- **Internet Taxes**
- **Education – “Common Core”; Vouchers; Pre school**
- **Health Care Exchange/Medicare**
- **Mass Transit in Indy**
- **Infrastructure Funding (\$800M)**
- **Sunday Liquor Sales**
- **“Artisans” Distilleries**

2013 Legislative Issues (cont.)

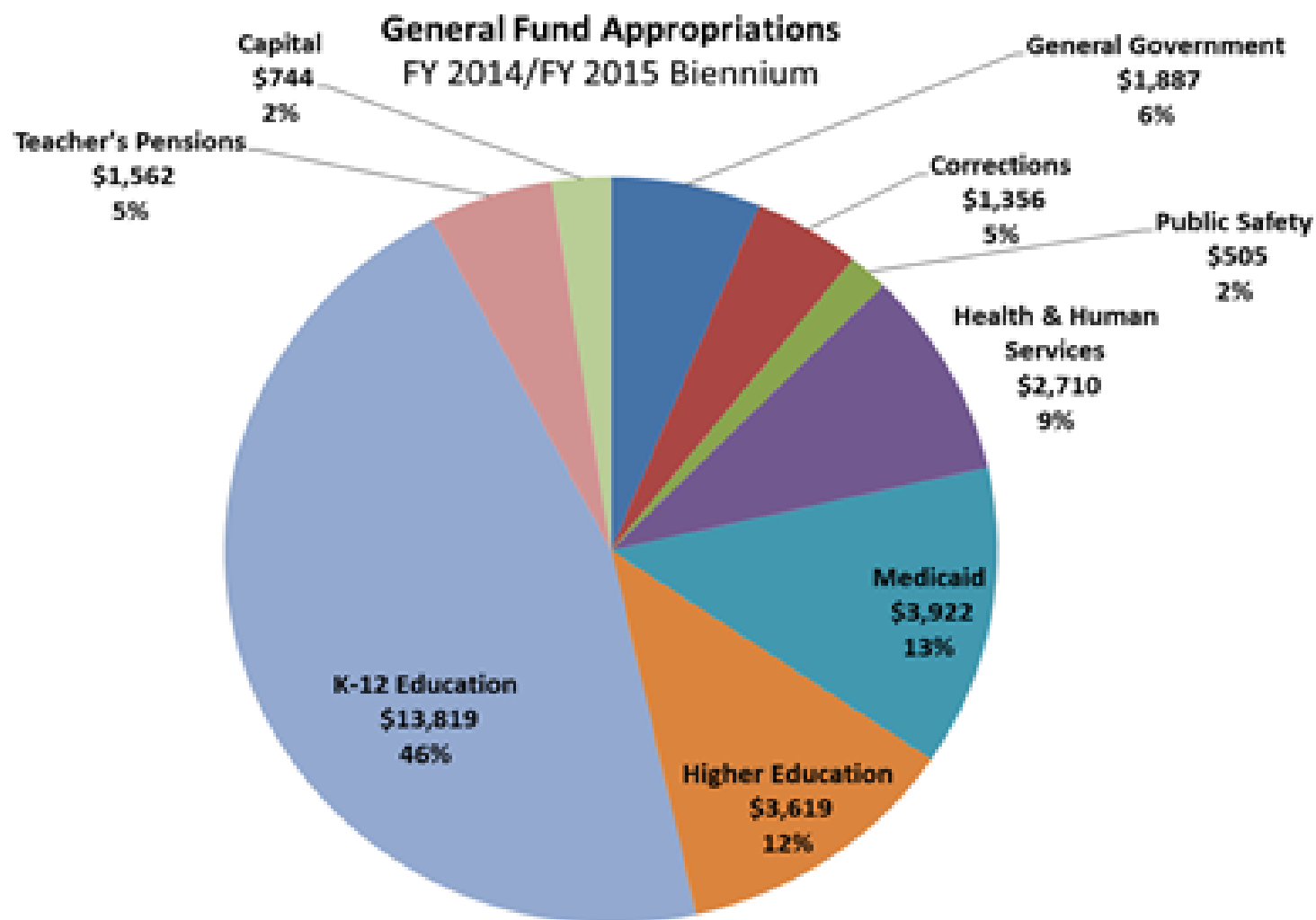
- **\$3B Rockport Gasification Plant**
- **Live Dealers at Casinos**
- **NO marriage amendment (2014 last chance)**
- **Indy Speedway**
- **Mandate Schools to have security officers with guns**
- **Guns on college campuses**
- **Recycling Projects Money**
- **Phosphorous education mandate**

2013 Legislative Issues (cont.)

- **“Ag-Gag” (Videos)**
- **Waive “low-level” offenders prison time**
- **Dani-the-Deer**
- **Wild Hogs**
- **Shooting Animals on Airport Property**
- **Allow selling frozen rabbits at roadside stands**

2013 Legislative Issues (cont.)

- **Compressed Natural Gas (CNG)**
- **Electric Transmission Lines**
- **Move the Office of Energy Development from the LG to under the Governor**
- **Regional water and sewer districts**



Two year (\$30 billion) budget

- \$800M for **transportation infrastructure**
- Cash pay for new **university** capital projects
- \$100M for **workforce development**
 - Indiana Career Council
 - \$25 bioscience research
- Paid off a couple **large debts** – long term saving

Governor's 10% State Income Tax "Cut" – Trimmed to 5%

- Current tax rate is **3.4%**
- New tax rate with a **5%** reduction will be **3.23%** (phased in over two reductions; drops to 3.3% in 2015 and then to 3.23% in 2017)
- When full 5% is applied – if you make \$50k/year the reduction = **\$85/year**
- \$85/year = \$7/month = less than **25 cents/day**
- And you pay federal taxes on the "realized" income

Other Tax/Fiscal

- **Internet Tax** -- No action – Congress is considering now.
- **Inheritance Tax** – was a 10-year phase out – is now effective 1/1/13.
- **Research and Development** -- Sales tax exemption
- **Indy Motor Speedway “Loan”** – loans \$5M/year for 20 years

Education – “Common Core”; Vouchers; Pre-School

- Leaves the “Common Core” standards **in place**
- **Summer review** of Common Core
- **Vouchers** – major expansion
- **Charter School** Expansion
- House passed “**pre-school**” program – Senate rejected
- Creates **regional boards** under the “Indiana Works Council”; pathway for high school graduates to employment

Health Issues

- **Workers Comp** – changes the mechanism for reimbursing hospitals that effectively lowers the cost to the employer. There is also a benefit increase for the employee.
- Allows the Governor to negotiate how Indiana will administer **health insurance coverage** for Hoosiers eligible for the Medicaid program
- Allows the Department of Insurance to oversee the products in the **Health Insurance Exchange**
- **Died:** Would have required **drug screen testing** for those receiving some government assistance – concern about hurting the children.
- Establishes controls on **pseudoephedrine**

- **Mass Transit in Indy** – No referendum -- Summer Study
- **Indianapolis** – in 2015 eliminates the four at-large Indy city council members; gives Indy mayor more control
- **Sunday Liquor Sales** – bottoms up (again)
- **“Artisans” Distilleries** – allows craft micro-distilleries
- **Live Dealers at Casinos** – no live dealers and no expansion to land-based casinos

Guns

- **Mandate Schools to have security officers with guns** – modified to provide grants for “school resource officers” aka law enforcement officers
- **DIED: Guns on college campuses** – would have allowed guns on college campuses

Animal Issues

- “Dani the Deer”
- DIED: “Ag-Gag” (Videos)
- DIED: Wild Hogs
- DIED: Shooting Animals on Airport Property
- DIED: “High Fence Hunting” aka “Canned Hunt”
- Allow purchase of roadside rabbits

ENERGY ISSUES

- \$3B **Rockport** Coal Gasification project
- HR 54 Study **Small Modular Nuclear Reactors**
- SB 560 “**Utility Transmission**” – allows the utility to perform transmission and distribution improvements (TDSIC) but required to submit a 7-year plan and rate case within that seven years.
- Moves **Office of Energy Development** under the Governor
- Establishes a “**road impact fee**” on alternative energy vehicles e.g. natural gas, electric

Environmental Issues

- Allows IDEM to send out certain **notices** via electronic means
- Many **water and waste water** provisions
- SWMDs restriction re **vehicle permitting**

Possible Summer Study Issues

- Agricultural fugitive dust;
- Consolidation of all water management functions under one agency;
- Single point of contact for IDEM 401 certification and DNR flood control;
- Small Modular Nuclear Reactors;
- Non-jurisdictional water and waste water rates and charges;
- Indiana's water plan status
- In lieu wetlands program



Great Lakes_St. Lawrence River Basin Water Resources Compact Update

Summer Study Committees; November 2 & 3, 2012



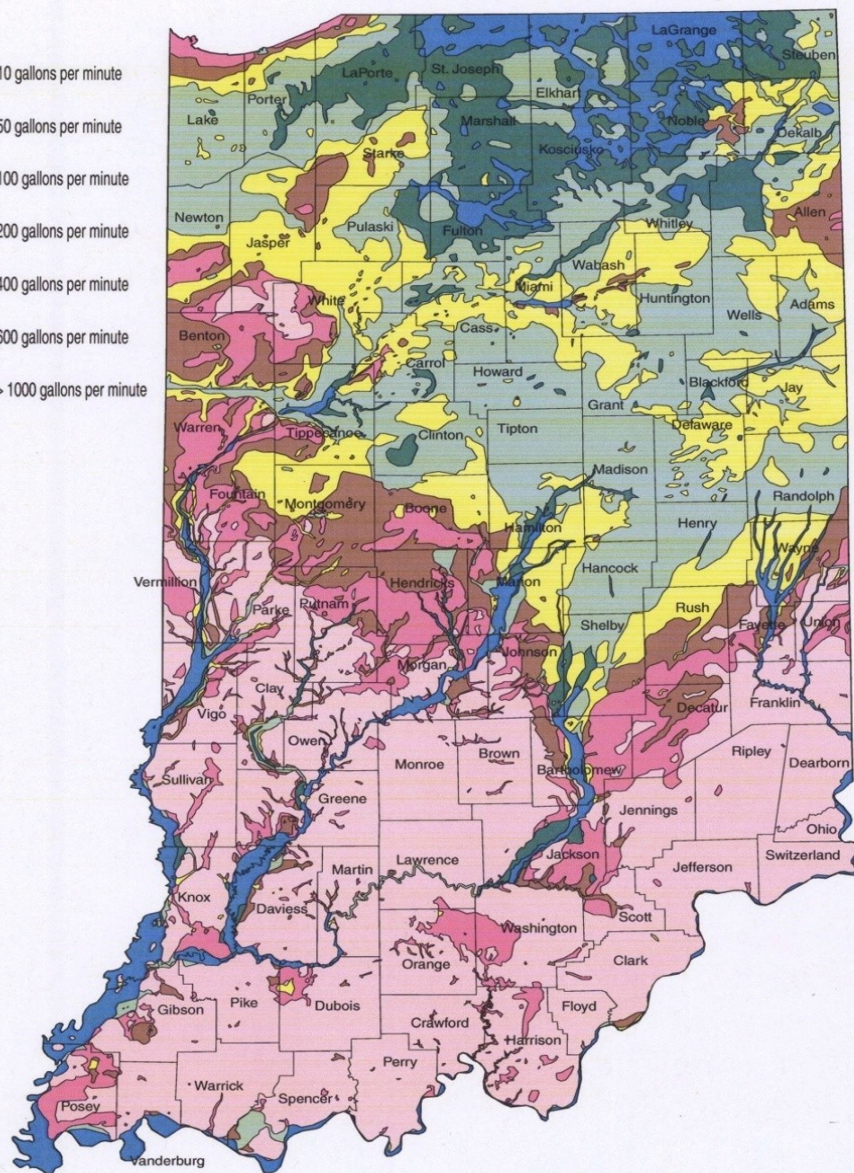
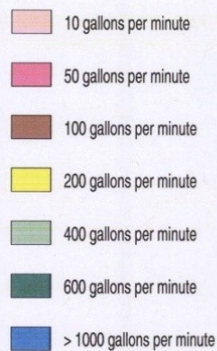
Real Purpose of Great Lakes Compact

Section 4.8. *All new or increased diversions are prohibited except as provided for in the compact.*

Section 4.9. *Exceptions to the prohibition for straddling communities, straddling counties and intra-basin transfers.*



Generalized Ground-Water Availability

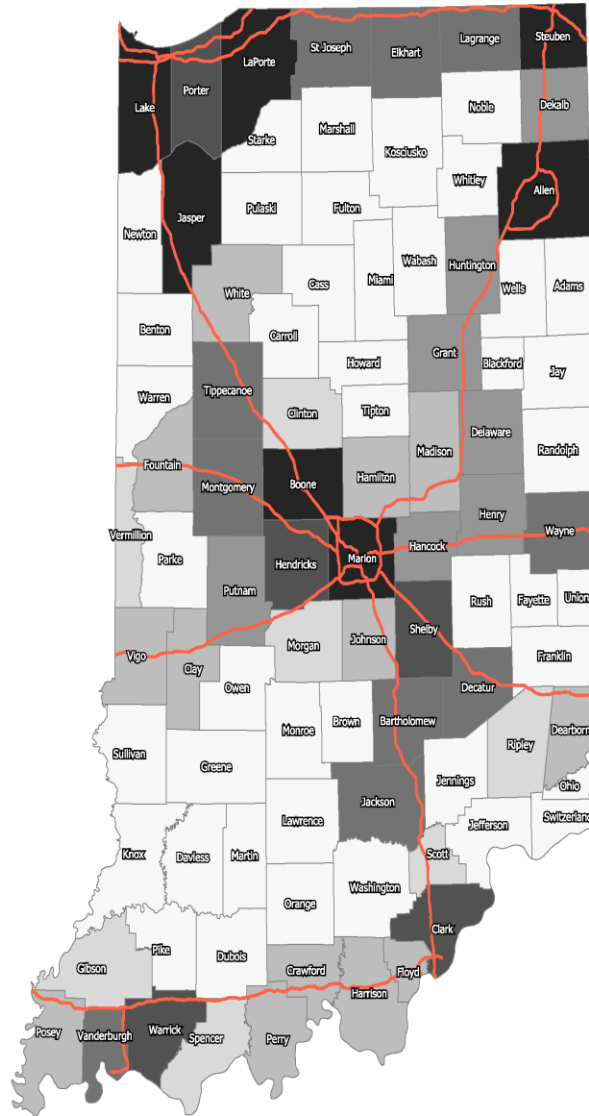




**Large demand,
marginal supplies**

**Growing demand,
vulnerable
supplies**

Transportation Infrastructure



GOOD NEWS!

- We can invent our energy and water future.
- We do have the energy and water resources.
- But – we must take charge NOW and make smart decisions.
- SB 132 (water) and prudent energy decisions.

OUR ENVIRONMENT OUR RESPONSIBILITY

